

Testimony of Robert D. Isom
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Before
Subcommittee on Economic Security, Infrastructure Protection, & Cybersecurity
Committee on Homeland Security
U.S. House of Representatives

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Chairman Lungren, Ranking Member Sanchez, and distinguished members of the Subcommittee, thank you for the opportunity to testify here today. My name is Robert Isom, and I am Senior Vice President for Customer Service at Northwest Airlines.

Northwest Airlines has long been an advocate for the Registered Traveler concept. So today, it is with some disappointment that I have to say we have some real concerns about the current state of the program, and we question whether the program should even be continued.

The key objective of the Registered Traveler program, as originally envisioned, was to find a way to provide the necessary level of security for our passengers while simultaneously trying to make the passenger security checkpoint screening process as simple and quick as possible for as many passengers as possible. Working both with Congress and the Administration, Northwest believed that the Registered Traveler program would produce net benefits for everyone. Passengers would enjoy quicker movement from curbside to their gate. The Transportation Security Administration would be able to allocate its screener personnel, equipment, and financial resources more efficiently, concentrating more heavily on the areas of potentially greater risk, and carriers like Northwest would benefit from our passengers being able to go through airport screening faster, resulting in an improved travel experience.

Of course, Northwest's assessment of the costs and benefits of the Registered Traveler program were based on two important assumptions. First, that this security program would be run by the U.S. Government. And second, that the travelers who committed to the program, paid their processing fees, and successfully passed the background check process would receive some benefit in exchange, as they went through the checkpoints at each airport.

Both of these assumptions are called into question today.

It has been proposed that the role of the U.S. Government in this security endeavor be diminished and that the Registered Traveler program be operated going forward as a form of public-private partnership, with a very large portion of the program and funding decisions being made by private companies rather than the Government. The private companies are seeking to turn this security program into a for-profit business opportunity. Meanwhile, there are currently no screening benefits provided to the registered travelers, though we understand TSA is still actively pursuing this.

Northwest is particularly concerned by some of the proposals that have been made on how Registered Traveler might attract travelers into the program by offering them ancillary services, rather than simply providing a more efficient airport checkpoint screening experience. For example, it has been proposed that prospective registered travelers be enticed with offers of:

- New airport lounge areas.
- New valet parking services.
- New preferred automobile parking areas.
- New discounts at airport stores and restaurants.
- New tie-ins with products offered by financial services companies.
- Discounted magazine subscriptions.

The purpose of these enticements, we are told, is to convince travelers to sign up for the program. And at least one private company has proposed that fees for joining the Registered Traveler program to get these benefits be started at \$80 and moved up to \$100 over the next two years, with any background check fees to be charged by TSA being added on top of these amounts.

Northwest believes that it would be a mistake to let the Registered Traveler security program be transformed into a club membership organization like this.

Northwest also believes that it would be a mistake to allow the vendors proposing these sorts of ancillary services to skew the public policy debate on this matter by offering substantial financial paybacks to the airports and others that agree to retain their services. The Greater Orlando Aviation Authority, for example, just last week accepted the proposal of a vendor team that promises to give the Authority a cut of:

- 23-29% of the registered travelers' enrollment fees (depending on how the fee is calculated) for the first 30,000 who register at Orlando. And 18-22.5% of the enrollment fees for subsequent enrollees there.
- 2.5% for all enrollment and renewal revenues that the vendors receive from registered travelers at airports other than Orlando.

And the vendors propose to do all of this, while also offering revenue shares to credit card companies, trade associations, and other affinity groups that can be persuaded to solicit their members and customers to join Orlando's registered traveler program! The traveler on the other hand does not receive a benefit in terms of screening. There are no new security lines, so as more people sign up, the registered traveler line is just as long as the non-registered traveler line. There is no change in procedure while going through the line that we are aware of. Travelers will still have to remove shoes, laptops, coats, etc.

This sort of financial model for the Registered Traveler program is unacceptable. Registered Traveler was supposed to be a program that enhances domestic homeland security.

Northwest Airlines is still committed to the original purpose behind the Registered Traveler program. But this program is, and must remain, a security program. The program also must generate real benefits on its own rather than rely on the sale of ancillary benefits to entice travelers to register. If the Registered Traveler program does not remain a security program or is not financially sustainable on its own, it should be discontinued so the U.S. Government's resources can be redirected to other important efforts to facilitate passenger movement through airport screening lanes, as well as to enhance the overall quality of security provided to our passengers.

Thank you again for the opportunity to present Northwest's views to your Subcommittee. I would be happy to answer any questions that you might have.

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